

PART V

1. PURPOSE

To provide funds for continuation of a Domestic Operations Base in the United States in support of operations directed against the USSR covering FY 1954.

2. BACKGROUND AND AUTHORITIES

a. Basic Plan, FY 1952

The basic plan AEACRE was approved by ADSO on 22 January 1952 and by the PRC on 4 April 1952 for FY 1952, in the amount of [redacted]

b. Amendment No. 1, FY 1953

Amendment No. 1 covering FY 1953 was approved by ADSO, ADPC and DDP on 2 April 1952, in the amount of [redacted] and again on 8 May 1952, to include \$32,340 for the Office of Communications or a total of [redacted] for FY 1953. A record of PRC action shows that at its meeting on 9 May 1952, AEACRE Amendment No. 1 was approved in the amount of \$165,000 covering the period ending 31 December 1952.

[redacted] In addition was earmarked for the balance of 1953, to be made available after further PRC review and approval. While such review was not made, funds were allotted for the full fiscal year by OSO [redacted] and by OPC [redacted] a total of [redacted]. Disbursements for FY 1953 exclusive of the Office of Communications totaled [redacted]

c. Amendment No. 2, FY 1954

Amendment No. 2 including a budget of [redacted] for FY 1954 was submitted 30 June 1953 for C/FI and PRC approval only. It had been determined that PP and PM interest was small and secondary and that the operations contemplated for FY 1954 were primarily of FI concern. The general program received PRC approval in principle as a support function in the SR Division program for FY 1954. Support funds in the amount of [redacted] were allocated and through the second quarter of FY 1954 allotments total [redacted] and obligations [redacted]. Formal project approval of AEACRE Amendment No. 2 was however deferred pending a review of the project by I & R, as indicated in Part I. This review has been completed and therefore AEACRE Amendment No. 2 is being resubmitted in line with its recommendations.

T.S. FILE No. 1

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3. PRESENTATION OF FY 1954 BUDGET

a. The AEACRE program for FY 1954 as outlined in Parts II, III and IV of this amendment defines the activities involved and the need for their continuance. In order, however, to correct omissions in the original presentation of the FY 1954 budget of [] and to emphasize the basic costs of running the project, comparison figures are discussed below on selected categories of the revised budget of []

b. Unlike the normal operational project, AEACRE must budget for salaries of a substantial number of staff personnel, in addition to personnel on contract. A consequence of this is that the total for compensation of [] accounts for over two-thirds of the AEACRE budget for FY 1954 and more than the entire budget in FY 1953.

c. While DOB is still operating under the T/O for 60 staff personnel approved in August 1952 and the ceilings for contract personnel approved in May 1952, the positions authorized were not filled by incumbents until early in the calendar year 1953. Thus although only \$79,000 was spent for staff compensation in FY 1953, \$115,000.00 has been spent for this purpose in the first six months of FY 1954. It is expected that staff salaries will run higher during the second six months for a total of [] over the full year. Compensation paid to contract personnel including instructors, spotters and safehousekeepers amounted to [] in the first six months of FY 1954 and is expected to reach a total of [] for the full year, or approximately \$21,000 more than in FY 1953. Salary payments in the second six months of FY 1954 will be higher as personnel reaches full strength and as heavier overtime payments are incurred during the main operational season.

d. A total of \$45,000 is projected for travel during FY 1954. \$20,000.00 was spent for this purpose in FY 1953. Approximately \$10,000 has been spent for travel in the first six months of FY 1954 and it is expected that this figure will more than triple during the second six months of the year due to the nature and extent of the training planned, the number of individuals involved and the travel connected with Part III of this program.

e. A figure of \$46,000.00 is projected for Rents and Utilities during FY 1954 as against disbursements of \$22,000.00 for FY 1953. Disbursements for the first six months of FY 1954 have been \$22,300.00.

f. While other expenses in some cases will be higher in FY 1954 than in FY 1953 they are balanced by generally lower outlays for equipment.

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g. The comparisons made in paragraphs b, c, d and e, account for the difference between FY 1953 obligations of [] and the FY 1954 budget of []. The higher projected costs for FY 1954 however, will not result from any new authorities or activities requested in this amendment but rather from normal increase in personnel and facilities of the project as envisaged in 1952 when the AEACRE Basic Plan, Amendment No. 1 and the T/O of 60 staff employees were authorized and approved.

h. It should be noted that AEACRE, as provided for by its administrative plan, has the status similar to that of a field station and must therefore budget for expenses which in the case of a normal project are ordinarily borne by supporting Headquarters elements. A large portion of the cost of AEACRE is overhead of a continuing and constant nature.

i. Budget form 59-104 and a detailed breakdown of the figures shown are attached to this presentation.

j. In addition to the above the following graphic portrayal of the AEACRE budget has been drawn up in order to indicate what portion of the cost of AEACRE results from its substantive activities as described in Parts II, III and IV and what portion can be considered DOB headquarters or administrative expense. Each section includes the expenses of those personnel and facilities directly and solely concerned with the activities described. DOB headquarters or administrative expense includes those costs which are of common concern to all of the activities of DOB.

4. RECOMMENDATIONS

That the revised budget for AEACRE Amendment No. 2 as here presented be approved for FY 1954.

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